
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 5.19.2010

Wall Street Journal: "EU Moves to Tighten Control of Hedge Funds ... European finance ministers approved new regulations aimed at reining in hedge funds, the latest sign of toughened oversight of powerful players in global financial markets."

Wall Street Journal: "Proposal Would Rid Finance Bill of Derivatives Measure ... The head of the Senate Banking Committee proposed diluting a controversial provision in the Senate's financial regulation overhaul bill that would ban banks from trading derivatives."

Wall Street Journal: "The Clearinghouse Rescue Plan ... As miracle cures go, clearinghouses for derivatives seem to be everyone's favorite. By requiring that most swap contracts be settled daily through institutions that collect and spread financial risk, Congress and Treasury claim that we can all sleep better at night without fear of more AIGs."

Wall Street Journal: "Vanguard's Bailout Warning ... Speaking of too big to fail (see above), Senate Democrats continue to claim that their pending financial reform bill will end bailouts. But when even a potential beneficiary is warning about the financial favoritism that will result, taxpayers have every right to demand that Senators scrap their "resolution process" for too-big-to-fail banks."

Washington Post: "SEC proposes rules to prevent another 'flash crash' ... Twelve days after the stock market took a historic plunge that raised fears of another financial crisis, federal officials are still struggling to understand what went wrong even as they offer proposals for how to avoid another "flash crash."

Washington Post: "Financial regulation bill gets last-minute amendment from Sen. Chris Dodd ... According to the note scribbled at the top of the first page, Amendment 4110 arrived Tuesday at 11:57 a.m., three minutes shy of the deadline for lawmakers still hoping to alter the massive financial overhaul bill before the Senate."

Washington Post: "IMF chief says eurozone loan could force concessions ... European nations might need to surrender some control over public spending and other policies to resolve a crisis in the 16-nation currency union that uses the euro, the managing director of the International Monetary Fund said Tuesday."

Washington Post: "Bank loophole for Wall Street remains in financial regulation bill ... Goldman Sachs, Morgan Stanley and other big Wall Street firms have been able for years to set up commercial banking businesses while avoiding the strict regulation this activity typically entails."

Washington Post: "A patch for Wall Street's bad habits ... The Senate is poised to vote this week on amendments to the financial reform bill that will determine whether Wall Street's banks will serve the American economy or whether the American economy will continue to serve Wall Street's banks."

NY Times: "Clients Worried About Goldman's Dueling Goals ... As the housing crisis mounted in early 2007, Goldman Sachs was busy selling risky, mortgage-related securities issued by its longtime client, Washington Mutual, a major bank based in Seattle."

NY Times: "New Rules Would Limit Trades in Volatile Market ... The Securities and Exchange Commission said Tuesday that it would temporarily institute circuit breakers on all the stocks in the Standard & Poor's 500-stock index after the

huge market gyrations on May 6."

NY Times: "Senate Republicans Call Reform Bill a 'Takeover' of the Banking Industry ... Senate Republican leaders on Tuesday unleashed a barrage of criticism at the far-reaching financial regulatory legislation being debated on the Senate floor, indicating that many of the party's leaders were prepared to vote against the bill."

LA Times: "SEC proposes new circuit-breaker mechanism to prevent another 'flash crash' ... In an attempt to prevent a repeat of this month's rapid market plunge, the Securities and Exchange Commission on Tuesday proposed a new circuit-breaker mechanism that would briefly halt trading in individual stocks that experience a 10% price change over a five-minute period."

LA Times: "Senators grapple with derivatives rules in financial overhaul ... Senators hoping to pass a sweeping overhaul of financial regulations this week are frantically trying to resolve tough - and controversial - provisions limiting, regulating and shedding light on the largely hidden world of complex investments known as derivatives."

USA Today: "Banks chalk up 2 wins as Senate reform bill evolves ... Big banks scored a couple of key victories Tuesday in the battle to shape the sweeping overhaul of financial regulation, following recent gains by consumer advocates."

Washington Times: "Conservatives oppose bailout in Europe ... Conservative Republicans are trying to stop the United States from participating in the bailout of overindebted European countries through the International Monetary Fund."

Washington Times: "JOHNSON: Violating privacy one bank account at a time ... Sen. Christopher Dodd's "regulatory reform" bill, S. 3217, the Restoring American Financial Stability Act of 2010, has many contentious proposals that have members from both political parties on edge."

The Hill: "Geithner rejects GOP warnings of Greek-like debt crisis in U.S. ... The Greek debt crisis is "not going to happen" in the U.S., Treasury Secretary Tim Geithner said Wednesday."

The Hill: "Union leaders take credit for Sen. Lincoln's derivatives provision ... Unions are claiming credit for Sen. Blanche Lincoln's (D-Ark.) tough derivatives bill, saying their support for her primary challenger pushed her to the left."

Politico: "Harry Reid to call financial regulation vote ... With time running out for Democrats and Republicans to reach agreement on the final details of a Wall Street reform bill, Senate Majority Leader Harry Reid (D-Nev.) announced on the floor Wednesday morning that he will call for a vote to end debate on the legislation at 2 p.m."

Politico: "Hillary Clinton: U.S. inks Iran sanctions draft ... In a surprise move, the Obama administration unveiled a new draft Iran sanctions resolution to the full United Nations Security Council Tuesday that has the support of all five of its permanent members, including Russia and China."